LAW OFFICE

ALLAN J. THOMPSON

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July 1, 2002

CALIFORNIA ENERGY COMMISSION
Docket Unit, MS-4
1516 Ninth Street
Sacramento, CA 95814-5512

Re: Docket No. 01-AFC-14

Dear Sir/Madame:

Enclosed for filing with the California Energy Commission are an original and 12 (twelve) copies of the attached **Correspondence from Rodney A. Boschee (PG&E) to Mark Fillinger (REF) Dated May 8, 2002 .**

Sincerely,

Allan J. Thompson
One of Counsel
Roseville Energy Facility, ~~L.L.C.~~

AJT:dmg
Enclosures
Cc: Service List

Pacific Gas and Electric Company

77 Beale Street
San Francisco, CA 94105
Mailing Address
Mail Code B16A
P.O. Box 770000
San Francisco, CA 94177
415/973-7000

Via Fax and Mail

May 8, 2002

Mr. Mark Fillinger
Roseville Energy Facility, L.L.C.
1 Market Spear Tower, 36th Floor
San Francisco, CA 94105

Re: Application for Service-Roseville Energy Facility

Dear Mr. Fillinger:

On April 29, 2002, Pacific Gas and Electric Company provided Roseville Energy Facility, L.L.C. (Applicant) with the results of its Preliminary Application for Gas Service. PG&E now notifies Applicant that the Routes 1a, 2a and 3a, as described in the subject letter, should not be considered at this time. PG&E's preferred route is 1b, 2b and 3b.

If you have any questions about this information, please call me at 415-973-2908 or Mike O'Brien at 415-973-5658

Sincerely,

Rod Boschee /MKO

Rodney A. Boschee
Manager, Contract Development and Management

cc: Michael O'Brien
Rick Brown
Todd Hogenson
Darin Jones
George Karkazis
Gary Grelli
Michael O'Donnell

Pacific Gas and Electric Company

77 Beale Street
San Francisco, CA 94105

Mailing Address
Mail Code B16A
P.O. Box 770000
San Francisco, CA 94177
415/973-7000

Via Mail and Fax

April 29, 2002

Mr. Mark Fillinger
Roseville Energy Facility, L.L.C.
101 California Street, Suite 1950
San Francisco, CA 94111

Subject: Preliminary Application for Service, Preliminary Facilities Study – Roseville Energy Facility

Dear Mr. Fillinger:

On January 9, 2002, Pacific Gas and Electric Company provided Roseville Energy Facility, L.L.C. (Applicant) with the results of its System Impact Study on three alternative connections as requested by Applicant on October 22, 2001, to Applicant's proposed Roseville Energy Facility (Facility) to be located near the Pleasant Grove Wastewater Treatment Facility in Roseville, California. PG&E now provides Applicant with results of its Preliminary Facilities Study (PFS) on providing a gas service connection from PG&E's Line 400 and Line 172 to complete the Preliminary Application for Gas Service.

Per Applicant's May 10, 2001, Cogeneration/Power Plant Interconnection Information Sheet, the Facility will require service for 1200-6800 MMBtu/h (118 MM cubic feet per day) during the winter season, and 1200-6500 MMBtu/h (114 MM cubic feet per day) during the summer season, and that gas service is to be available by June 2004. Changes to Applicants proposed hourly and/or daily volumetric needs, or to the demand on PG&E's system, could result in modifications to any comments PG&E makes herein. The following service pressures are based upon computer models, which contain various assumptions and uncertainties, and therefore represent our best estimate of expected pressures.

Prior to providing you with the details of this connection, PG&E would like to make you aware that connections similar to yours for permanent gas transmission-level service to PG&E's gas transmission system, are being done under PG&E's "Agreement For The Allocation And Recovery Of Costs Associated With Proposed Transmission-Level Interconnection Of Electric Generating Facilities", or other similarly negotiated agreement (Agreement). After Applicant's review and concurrence, this Agreement will be submitted by PG&E to the appropriate regulatory agency under PG&E's Rule 15, Section H.3., Exceptional Cases provision. Because of the significant anticipated reinforcement costs to connect this Facility, PG&E would like to provide you the requested information and associated costs, and discuss this with you prior to proceeding further with this project.

PG&E provides results based upon two alternatives; 1) with the pipeline to the Florida Power and Light Energy's (FPLE) Rio Linda Power Plant installed; and 2) without the pipeline to the Rio Linda Power Plant installed.

1) With the pipeline to the FPLE Rio Linda Power Plant installed

PG&E preferred Standard Facilities Route and Design

Section 1a (West Side): Install approximately 10.5 miles of 16-inch steel pipe from Line 400 to Line 172 near the city of Zamora. PG&E would likely acquire a 50 foot wide easement along the north side of County Road 14 and County Highway E-10 from Line 400 / 401 (bore I-505 and drainage canal) to County Road 92B, then cross to south side of County Highway E-10 and south of canal continue to parallel E-10 to I-5, then parallel frontage road approximately ¼ mile south then bore I-5, frontage road and UPRR. (Reference attached map)

Section 2a (East Side): Install approximately 4.9 miles of 16-inch and 24-inch steel pipeline. Tie into the pipeline to FPLE at the intersection of Elverta Road and East Levee Road. Proceed north with 24-inch steel pipeline along the west side of East Levee Road for approximately 1.9 miles. From this point, continue north with 16-inch steel pipe to Riego Road, then east on the north side of Base Line Road. (Reference attached map)

Alternative: Install approximately 8.25 miles of 16-inch and 24-inch steel pipe. Tie into the pipeline to FPLE at the intersection of Elverta Road and Power Line Road. Proceed north on the east side of Power Line Road with 24-inch steel pipeline, then east on the south side of Riego Road to East Levee Road, cross Riego Road to the north side and continue east to approximately 1.8 miles east of Highway 70. From this point, install 3 miles of 16-inch steel pipe to Brewer Road. (Reference attached map)

Section 3a (East Side): From Section 2a, install approximately 7.5 miles of 16-inch steel pipe going north along the west side of Brewer Road to Jackson Street, cross to east side of Brewer Road, and north to Phillips Road. The route continues along the south side, west side and south side of Phillips Road to the Facility. (Reference attached map)

In addition, PG&E would need to:

- Install a pressure limiting station near the city of Zamora;
- Increase the pipeline service from Line 172 to the proposed FPLE Rio Linda power plant from 20-inch to 24-inch diameter;
- Install a new 24-inch ultrasonic meter.

PG&E estimates the Standard Facilities Design will be able to provide unregulated service to the plant (floating at prevailing transmission pressure) at a minimum delivery service pressure of 100 psig.

PG&E estimates that the total order-of-magnitude, plus or minus 50 percent, costs to be as follows:

Total Estimated Costs for Standard Facility Design at Prevailing Delivery Pressure	Costs +/- 50%
1. Section 1a: 10.5 miles of 16" pipeline	
2. Section 2a: 1.9 miles of 24" and 3 miles of 16" pipeline	
3. Section 3a: 7.5 miles of 16" pipeline	
4. Install Zamora Pressure Limiting Station at Line 401	
5. Increase of diameter of 19.5 miles of pipe to FPLE from 20" to 24"	
6. Install a 24" ultrasonic meter	
7. Sub Total:	
8. Income Tax Contribution of Construction (35% of 7.)	
9. **Total Project Costs – Standard Facilities Design**	

Alternative: PG&E provides applicant with a Special Facilities alternative to tie into the proposed pipeline to the FPLE Rio Linda Power Plant near the intersection of Pritchard Road and Power Line Road.

Costs:

Total Estimated Costs for Special Facility Design at Prevailing Service Delivery Pressure	Costs +/- 50%
1. Section 2a: 4 miles of 24" pipeline (incremental)	
2. Income Tax Contribution of Construction (35% of 3.)	
3. Cost of Ownership, Applicant financed one time payment option	
4. Total Special Facilities Project Costs	
5. Total Project Costs	

Special Facilities Design at Elevated Service Delivery Pressure:

To serve the proposed plant with a Special Facilities Design at elevated gas delivery pressure PG&E would increase the size of the 16-inch steel pipeline for sections 2a and 3a as identified above, from 16-inch to 20-inch. PG&E estimates a service at a minimum delivery pressure of 300 psig would be available under the Special Facilities Design alternative.

Costs:

Total Estimated Costs for Special Facility Design	Costs +/- 50%
1. Section 2a: 3 miles 20" pipeline (incremental)	
2. Section 3a: 7.5 miles of 20" pipeline (incremental)	
3. Sub Total:	
4. Income Tax Contribution of Construction (35% of 3.)	
5. Cost of Ownership, one time payment option	
6. Total Special Facilities Project Costs	
7. Total Project Costs	

2) Without the pipeline to the FPLE Rio Linda Power Plant installed

PG&E preferred Standard Facilities Route at Prevailing Service Delivery Pressure

Section 1b (West Side): Install approximately 4.5 miles of 20-inch steel pipe from Line 400 east to County Road 88 by acquiring a 50 foot +/- wide easement north of and contiguous to existing Line 302 West easement (50 feet wide), then tie into existing Line 302 West.

Section 2b (East Side): Install approximately 18.25 miles of a 20-inch steel pipeline from the town of Yolo (FP&L Route) to Pritchard Lake Road and Powerline Road. Proceed north along east side of Powerline Road to Riego Road, then east on south side of Riego Road to a point 1.5 miles east of Highway 70.

Section 3b (East Side): Install approximately 11 miles of a 16-inch steel pipe from a point 1.5 miles east of Highway 70, continuing east on the south side of Riego Road to Sorento Road. Then cross Riego Road (Baseline Road) to north side and proceed to Brewer Road. Then north on the west side of Brewer Road to Jackson St, cross to east side of Brewer Rd., and then north to Phillips Road. The route continues along the south side, west side, and south side of Phillips Road to plant site.

In addition, PG&E would need to install a new 24-inch ultrasonic meter.

PG&E estimates the Standard Facilities Design will be able to provide unregulated service to the plant (floating at prevailing transmission pressure) at a minimum delivery service pressure of 100 psig.

Costs:

PG&E estimates that the total order-of-magnitude, plus or minus 50 percent, costs to be as follows:

Total Estimated Costs for Standard Facilities Design	Costs +/- 50%
1. Section 1b: 4.5 miles of 20" pipeline	
2. Section 2b: 18.25 miles of 20" pipeline	
3. Section 3b: 11 miles of 16" pipeline	
4. Install a 24" ultrasonic meter	
5. Sub Total:	
6. Income Tax Contribution of Construction (35% of 5.)	
7. Total Project Costs for Standard Facilities Design	

Special Facilities Design at Elevated Service Delivery Pressure:

To serve the proposed plant with a Special Facilities Design at elevated gas delivery pressure, PG&E would increase the size of the 11 mile steel pipeline for section 3b as identified above, from 16-inch to 20-inch. PG&E estimates a service at a minimum delivery pressure of 300 psig would be available under the Special Facilities Design alternative.

Costs:

Total Estimated Costs for Standard Facility Design	Costs +/- 50%
1. Section 3b: 11 miles of 20" pipeline (incremental)	
2. Income Tax Contribution of Construction (35% of 1.)	
3. Cost of Ownership, one time payment option	
4. Total Special Facilities Project Costs	
5. Total Project Costs	

Service and costs and service under the Special Facilities alternatives are subject to the conditions as outlined under PG&E's Gas Rule 2.

Next Steps:

PG&E now provides Applicant with requirements necessary in order for PG&E to proceed with this project. Applicant should submit to PG&E a request for Formal Application for Gas Service, which would include the following:

- A cover letter requesting PG&E proceed with the gas service connection under a Formal Application for Gas Service;
- Identification of which service alternative Applicant (Standard or Special Facilities Design);
- A site map of the proposed meterset location;
- The estimated annual gas usage of the proposed Facility; and
- A cash advance of to initiate engineering.

The cash advance is to initiate the engineering required to develop the project to a point where PG&E can proceed with construction, and does not include ordering long lead-time material. The final costs and work schedule for this phase will be determined as PG&E proceeds with detailed engineering and land work.

The cash advance should be made out to Pacific Gas and Electric at:

Pacific Gas and Electric
Attn: Rod Boschee
Mail Code: B16A
77 Beale Street
San Francisco, CA 94105

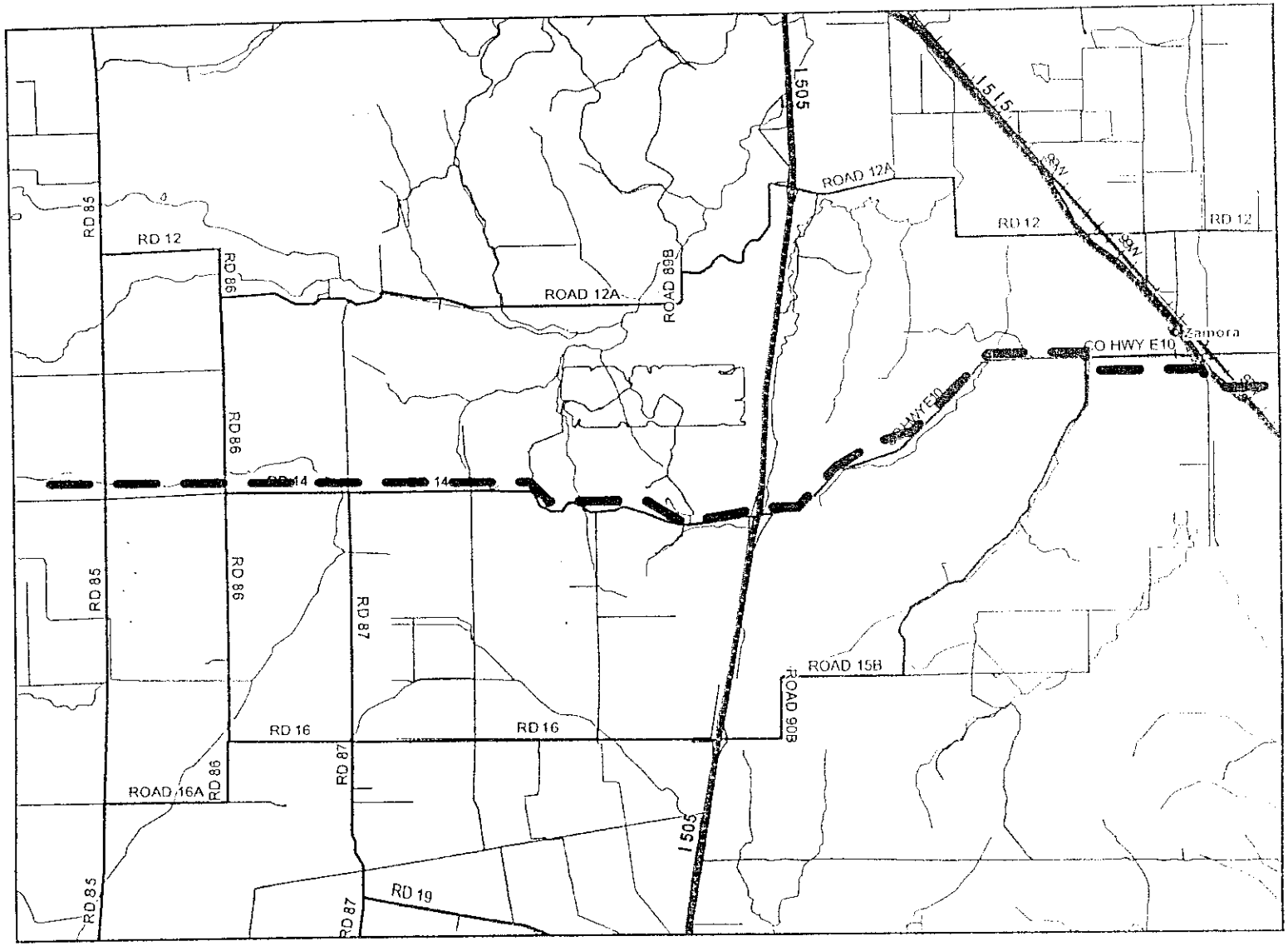
If you have any questions about this information, please call me at 415-973-2908 or Mike O'Brien at 415-973-5652.

Sincerely,

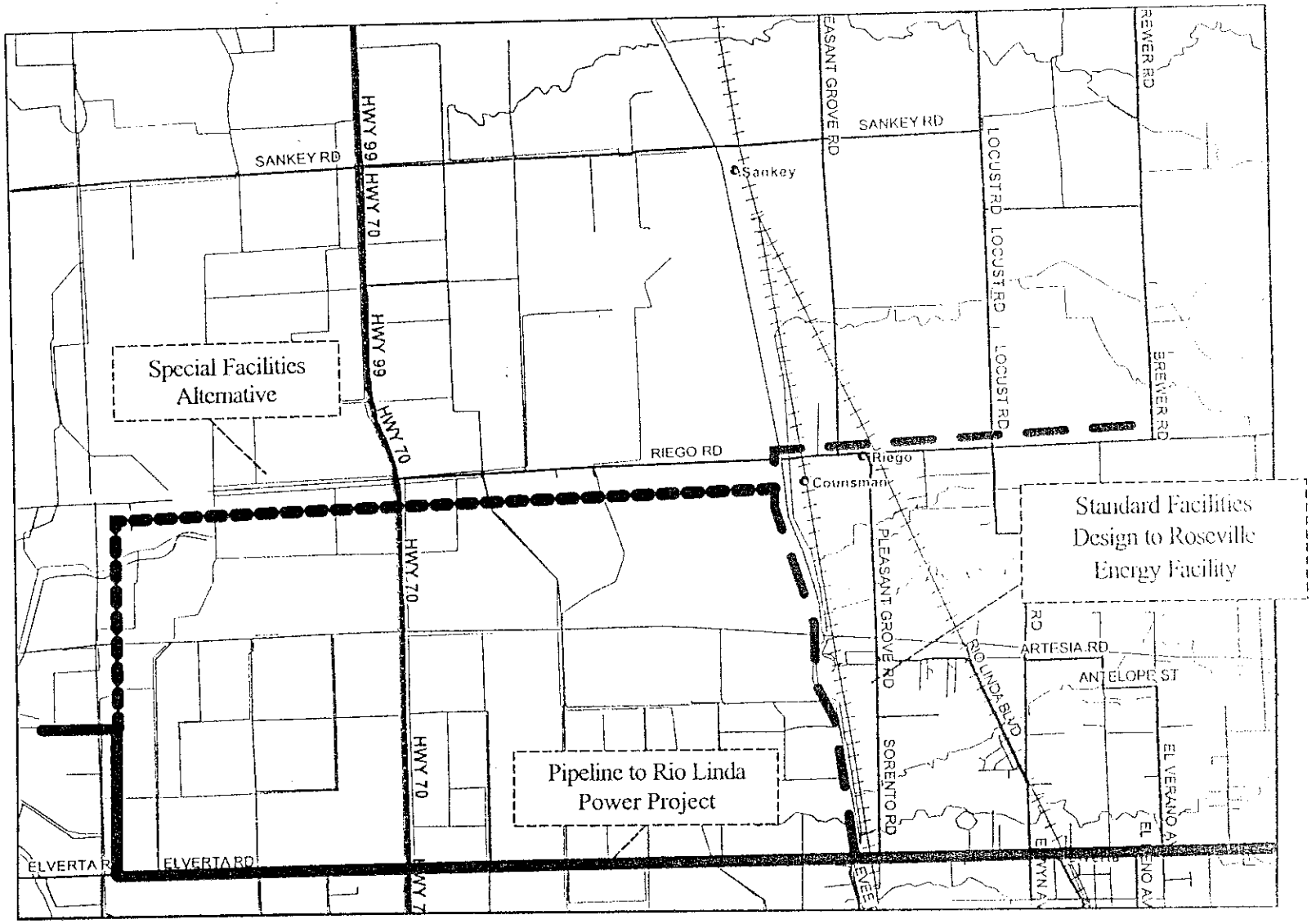
Rodney A. Boschee
Manager, Contract Development and Management

cc: Michael O'Brien
Rick Brown
Todd Hogenson
Darin Jones
George Karkazis
Gary Grelli
Michael O'Donnell

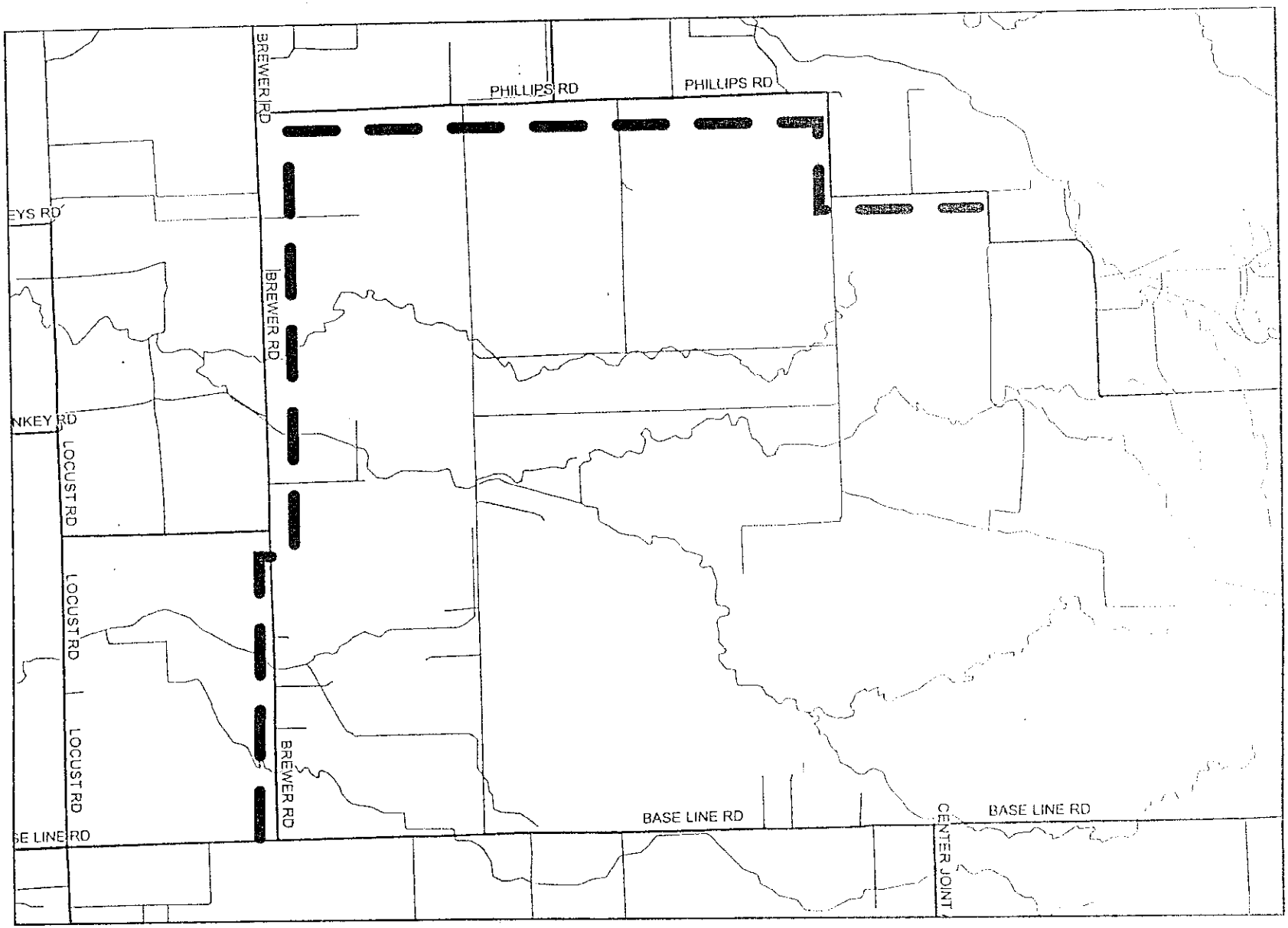
Section 1a (West Side) With Pipeline to Rio Linda Power Plant – Standard Facilities Design, Special Facilities Design



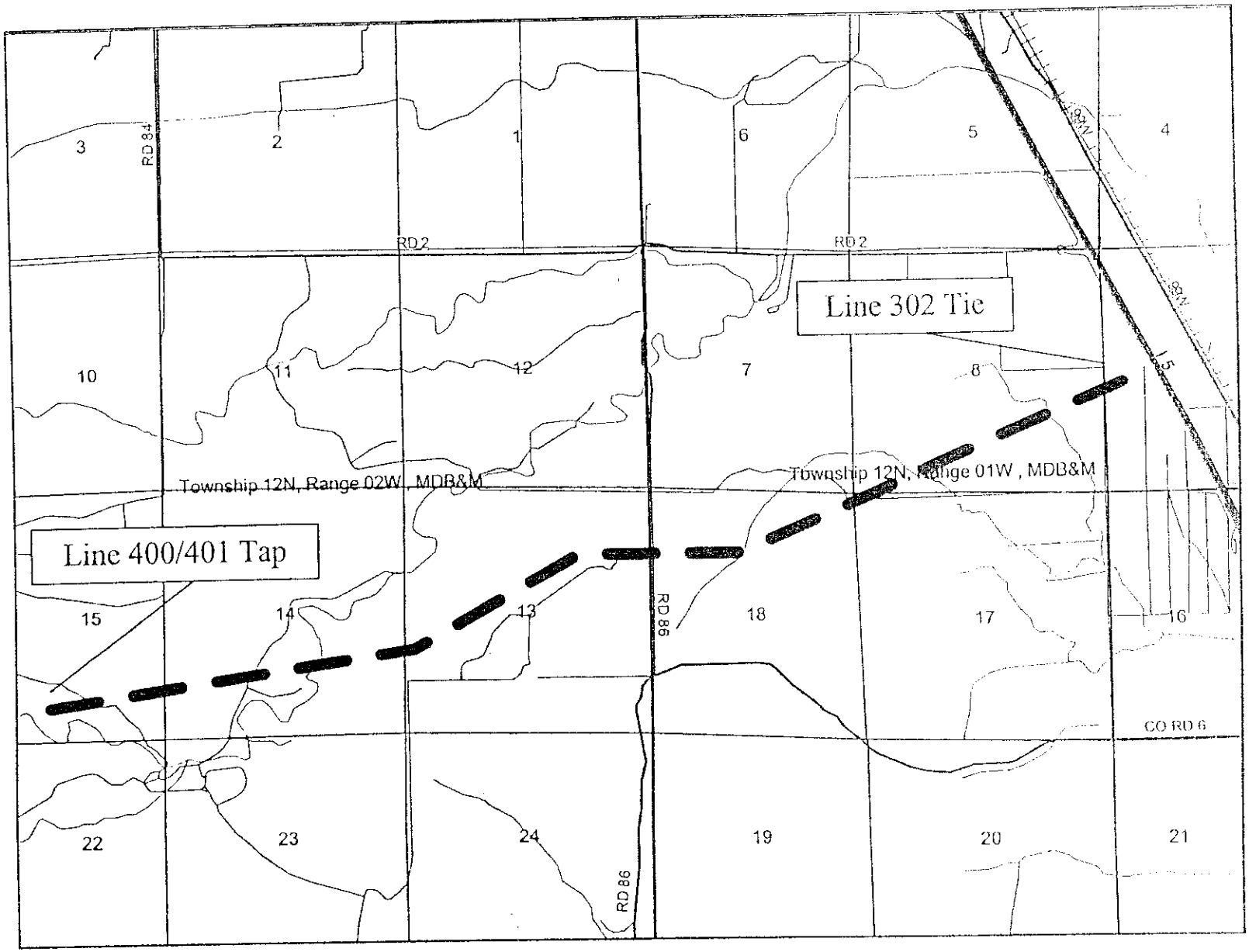
Section 2a (East Side) With Pipeline to Rio Linda Power Plant – Standard Facilities Design, Special Facilities Design



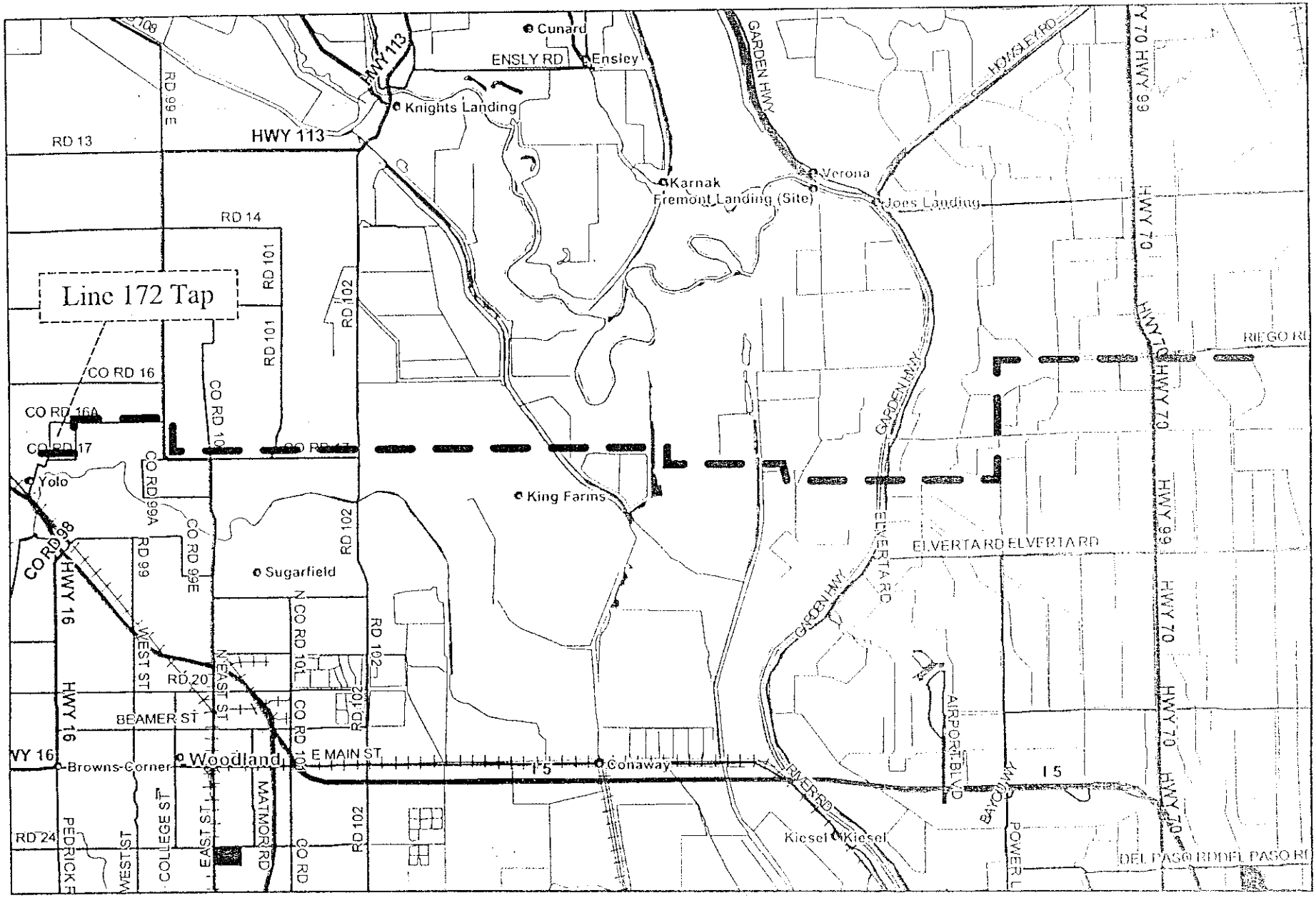
Section 3a (East Side) With Pipeline to Rio Linda Power Plant – Standard Facilities Design, Special Facilities Design



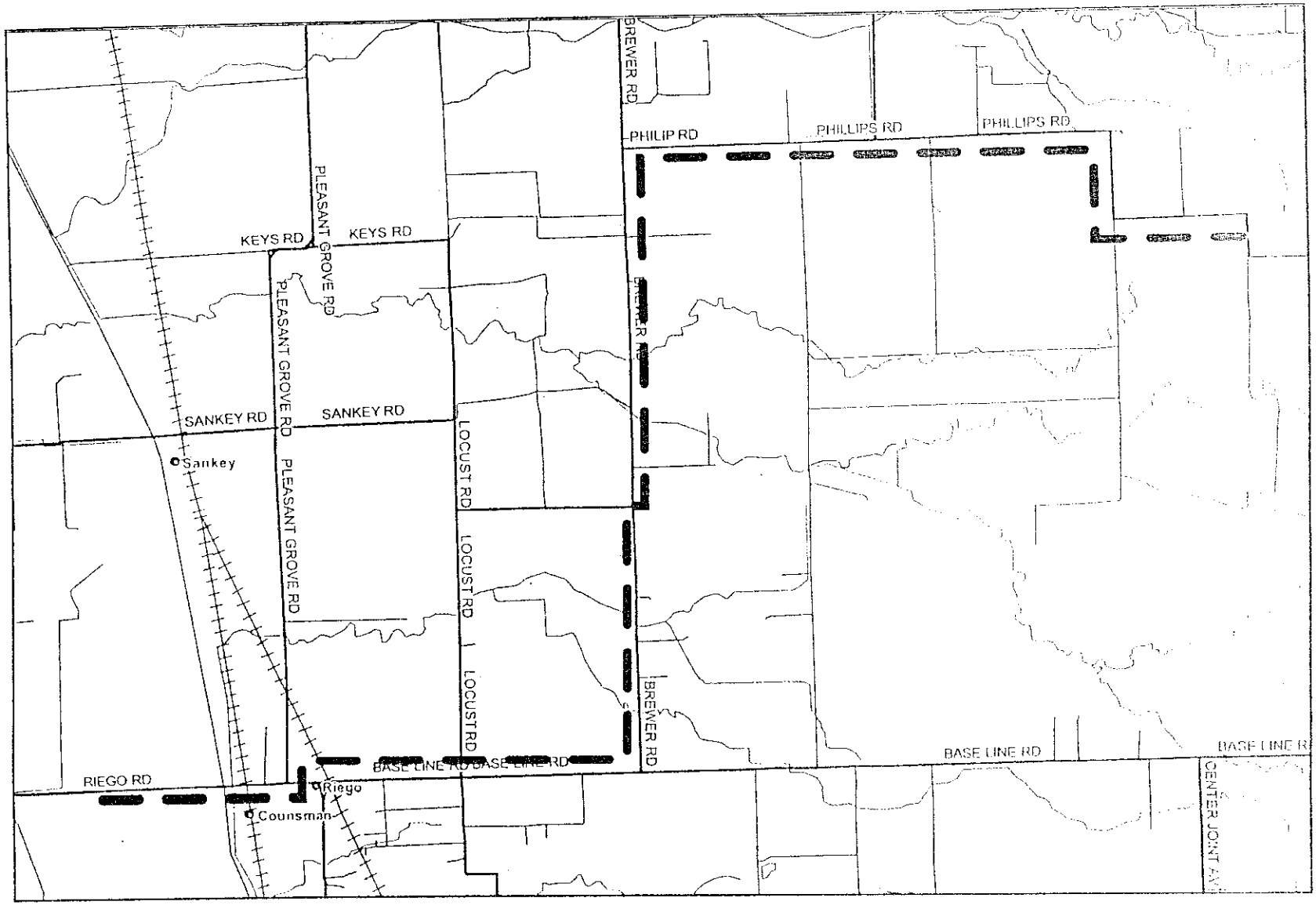
Section 1b (West Side) With Out Pipeline to Rio Linda Power Plant - Standard and Special Facilities Design



Section 2b (East Side) With Out Pipeline to Rio Linda Power Plant – Standard and Special Facilities Design



Section 3b (East Side) With Out Pipeline to Rio Linda Power Plant -- Standard and Special Facilities Design



BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION OF THE STATE OF CALIFORNIA

Application for Certification Of the Roseville Energy Facility By Enron North American Corporation	))))	**Docket No. 01-AFC-14 Proof of Service**

I, Diane M. Gilcrest, declare that on July 1, 2002 I deposited copies of the attached **Correspondence from Rodney A. Boschee (PG&E) to Mark Fillinger (REF) Dated May 8, 2002** in the United States mail at Walnut Creek, CA with first class postage thereon fully prepaid and addressed to the following:

DOCKET UNIT

California Energy Commission
Docket Unit, MS-4
Attn: Docket No. 01-AFC-14
1516 Ninth Street
Sacramento, CA 95814-5512

APPLICANT

Samuel Wehn, Project Manager
Roseville Energy Facility
Enron North America Corp.
One Market Street
Spear Street Tower, Suite 3600
San Francisco, CA 94105-1120

COUNSEL FOR APPLICANT

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1261 Travis Blvd.
Fairfield, CA 94533

INTERVENORS

California Unions for Reliable Energy
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651 Gateway Boulevard, Suite 900
South San Francisco, CA 94080

Sacramento Municipal Utility District
Attn: Lourdes Jimenez-Price, Esq.
P. O. Box 15830 M.S. B406
Sacramento, CA 95852-1830

Maurice H. Oppenheim
7689 Rosestone Lane
Roseville, CA 95747-8361

INTERESTED AGENCIES

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Placer County Air Pollution Control Dist.
DeWitt Center
11464 B Avenue
Auburn, CA 95603-2603

Kirk Sornborger
Western Area Power Administration
Environmental Specialist
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Gerardo Rios, Acting Chief
Permits Office, Air Division
US EPA, Region 9
75 Hawthorne Street
San Francisco, CA 94105

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City of Roseville
2005 Hilltop Circle
Roseville, CA 95747

Patty Dunn, Director
Community Development Dept.
City of Roseville
2005 Hilltop Circle
Roseville, CA 95747

County of Placer
Dept. of Public Works
Attn: T.D. Hackworth, Acting Director
11444 B Avenue
Auburn, CA 95603-2603

I declare under penalty of perjury that the foregoing is true and correct.

Diane M. Gilcrest

Diane M. Gilcrest